

**W1-2-60-1-6**

**JOMO KENYATTA UNIVERSITY**

**OF**

**AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2014/2015**

**EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE**

**HBH 2401: LABOUR ECONOMICS**

**DATE: April 2015 TIME: 2 HOURS**

**INSTRUCTIONS: Answer Question One (Compulsory) and Any Other Two Questions**

**QUESTION ONE (30 marks)**

1. Define the following terms (10marks)
2. Labour economics
3. Microeconomics techniques
4. Macroeconomics techniques
5. Stock variables
6. Flow variables
7. Describe the differences between the labour market and other markets (10marks)
8. Explain the policy on application of minimum wage laws (10marks)

**QUESTION TWO (20 marks)**

Discuss the arguments in favour and against minimum wage laws (20marks)

**QUESTION THREE (20 marks)**

“The decision to work is a decision about how to spend time”. Discuss. (20marks)

**QUESTION FOUR (20 marks)**

Explain the theory of cyclical or Keynesian unemployment (20marks)

**QUESTION FIVE (20 marks)**

Describe the measurement of unemployment rate. What are the four different methods used by ILO to calculate unemployment (20marks)